

8355

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

Wilmer Volunteer Fire Department, Inc.

Annual Financial Statements

As of and for the Year Then Ended December 31, 2008



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Release Date 6/24/09

Wilmer Volunteer Fire Department, Inc.
Annual Financial Statements
As of and for the Year Ended December 31, 2008
With Supplemental Information Schedules

TABLE OF CONTENTS

	Page
Accountant's Compilation Report	4
Basic Financial Statements:	
Statement of Financial Position	6
Statement of Activities	7
Statement of Functional Expenses	8
Comparative Statement of Cash Flows	9
Notes to the Financial Statements	10

This Page Intentionally Left Blank

Bruce C. Harrell, CPA

Dale H. Jones, CPA
Eric J. Rodrigue, CPA

INTERNET
www.teamcpa.com

MEMBERS
American Institute of CPAs
Society of Louisiana CPAs



BRUCE HARRELL
and COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (985) 542-6372
FAX: (985) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 909 Avenue G
Kentwood, LA 70444
VOICE: (985) 229-5955
FAX: (985) 229-5951

Accountant's Compilation Report

To the Officers of
Wilmer Volunteer Fire Department, Inc.
Kentwood, Louisiana

We have compiled the accompanying financial statement of financial position of the Wilmer Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them.

We are not independent with respect to the Wilmer Volunteer Fire Department, Inc.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

May 8, 2009

This Page Intentionally Left Blank

Wilmer Volunteer Fire Department, Inc.
Statement of Financial Position
As of December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 171,839	\$ 97,085
Receivables, Net :		
Tangipahoa Parish Rural Fire District Number Two		
Ad Valorem and State Revenue Sharing	52,183	89,449
Total Current Assets	<u>224,022</u>	<u>186,534</u>
Property, Plant, and Equipment		
Property, Plant and Equipment, Net	111,308	121,825
Total Property, Plant, and Equipment	<u>111,308</u>	<u>121,825</u>
Total Assets	<u>\$ 335,330</u>	<u>\$ 308,359</u>
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$ 6,959	\$ 3,879
Other Accrued Payables	11,256	10,906
Total Current Liabilities (Payable From Current Assets)	<u>18,215</u>	<u>14,785</u>
Total Liabilities	<u>18,215</u>	<u>14,785</u>
Net Assets		
Unrestricted	317,115	293,574
Total Net Assets	<u>317,115</u>	<u>293,574</u>
Total Liabilities and Net Assets	<u>\$ 335,330</u>	<u>\$ 308,359</u>

See accompanying notes and accountant's report.

Wilmer Volunteer Fire Department, Inc.
Statement of Activities
For the years ended December 31, 2008 and 2007

	Totals	
	2008	2007
Operating Revenues		
Public Support		
Contributions	\$ -	\$ 800
Tangipahoa Parish Rural Fire Protection District Number Two Contract Fees:		
Ad Valorem Taxes	185,704	163,350
State Revenue Sharing	12,995	17,585
Fire Insurance Premium Rebate	12,278	12,115
Federal Emergency Management Agency Reimbursement	-	-
Investment Income	516	308
Other Revenues	3,103	2,711
Total Operating Revenues	214,596	196,869
Operating Expenses		
Program Services - Firefighting	108,113	102,262
Management and General	24,801	21,621
Total Operating Expenses	132,914	123,883
Change in Net Assets from Operations	81,682	72,986
Other Financing Uses		
Transfers out to Tangipahoa Parish Rural Fire Protection District Number Two	58,142	43,189
Total Other Financing Uses	58,142	43,189
Change in Net Assets	23,540	29,797
Total Net Assets, Beginning	293,575	263,777
Total Net Assets, Ending	\$ 317,115	\$ 293,574

See accompanying notes and accountant's report.

Wilmer Volunteer Fire Department, Inc.
Statement of Functional Expenses
For the years ended December 31, 2008 and 2007

	2008			2007		
	Fire Fighting	Management and General	Total	Fire Fighting	Management and General	Total
Expenses						
Salaries and Wages	\$ 39,896	\$ -	\$ 39,896	\$ 36,444	\$ -	\$ 36,444
Payroll Taxes	4,304	-	4,304	4,012	-	4,012
Dues and Subscriptions	-	6,040	6,040	-	6,797	6,797
Depreciation	10,517	-	10,517	10,517	-	10,517
Fuel	7,402	-	7,402	6,671	-	6,671
Insurance	10,676	-	10,676	10,256	-	10,256
Professional Fees	-	11,285	11,285	-	8,225	8,225
Repairs and Maintenance	11,011	-	11,011	12,463	-	12,463
Supplies	16,490	1,094	17,584	8,854	1,355	10,209
Telephone	3,875	1,292	5,166	3,948	1,316	5,264
Utilities	3,712	1,237	4,949	4,076	1,359	5,435
Other	231	3,853	4,084	5,021	2,569	7,590
Total Expenses	\$ 108,113	\$ 24,801	\$ 132,914	\$ 102,262	\$ 21,621	\$ 123,883

See accompanying notes and accountant's report.

Wilmer Volunteer Fire Department, Inc.
Comparative Statement of Cash Flows
For the years ended December 31, 2008 and December 31, 2007

	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities		
Change in Net Assets from Operations	\$ 81,682	\$ 72,986
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	10,517	10,517
Changes in operating assets and liabilities		
(Increase) decrease in receivables	37,266	(14,798)
Increase (decrease) in accounts payable	3,080	(4,444)
Increase (decrease) in accrued payables	350	3,769
Net Cash Provided by (Used by) Operating Activities	<u>132,895</u>	<u>68,030</u>
Cash Flows From Investing Activities		
Purchases of property	<u>-</u>	<u>-</u>
Net Cash (Used) by Investing Activities	<u>-</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities		
Transfers to Tangipahoa Parish Rural Fire Protection District Number Two for:		
Principal Payments for Loan for Fire Truck (See Note 6)	(48,000)	(31,000)
Interest Payments on Loan for Fire Truck (See Note 6)	(7,161)	(5,735)
Purchases of property	(2,981)	(6,454)
Net Cash Provided by (Used by) Noncapital Financing Activities	<u>(58,142)</u>	<u>(43,189)</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	74,753	24,841
Cash and Cash Equivalents, Beginning of Year	<u>97,085</u>	<u>72,244</u>
Cash and Cash Equivalents, End of Year	<u>\$ 171,839</u>	<u>\$ 97,085</u>

See accompanying notes and accountant's report.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

Introduction

The Wilmer Volunteer Fire Department, Inc. (the Organization) is a Louisiana nonprofit corporation. Its mission is to operate exclusively as a volunteer fire fighting organization to provide fire protection and emergency response services in the Community of Wilmer and surrounding rural areas. The Wilmer Volunteer Fire Department, Inc. is one of the fire departments located in Tangipahoa Parish, that comprise the Tangipahoa Parish Rural Fire Protection District Number Two. Tangipahoa Parish Rural Fire Protection District Number Two receives ad valorem taxes, state revenue sharing and revenue from a two percent fire insurance rebate, which are in turn distributed with any interest earned, to the individual fire departments in Tangipahoa Parish in accordance with annual agreements.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

B. Basis of Presentation and Restrictions on Net Assets

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets listed below. The fire department does not use fund accounting.

Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets that are not subject to any donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.
- *Permanently restricted net assets* – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

C. Comparative Information and Reclassifications

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

E. Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

F. Investments

Investments, when held, are reported at fair value. Investment income classified as operating revenue consists of interest and dividend income on investments and gains approved for use in operations. All other realized and unrealized gains or losses are classified as nonoperating activity and are available to support operations in future years and to offset potential market declines. Investments classified as current are available for operations in the next fiscal year.

Various methods and assumptions are used to estimate the fair value of each class of financial instruments, when held. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices. Debt is valued at rates currently available to the Organizations for issuances with similar terms and remaining maturities.

G. Inventories and Prepaid Items

All inventories, when held, are valued at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

H. Property and Equipment

Equipment purchased with funds appropriated and distributed by the Tangipahoa Parish Rural Fire Protection District Number Two remains the property of the Tangipahoa Parish Rural Fire Protection District Number Two and is not recorded in the accompanying financial statements. Equipment held on site by the Organization that is owned by the Tangipahoa Parish Rural Fire Protection District Number Two is tagged with a Tangipahoa Parish Rural Fire Protection District Number Two inventory tag.

Purchases of equipment and other property having a unit cost per established guidelines and a useful life of three or more years are capitalized at cost when purchased with funds other than those appropriated by the Tangipahoa Parish Rural Fire Protection District Number Two. Donated assets are capitalized at the estimated fair value at date of receipt. These assets are depreciated on a straight line basis. If incurred, interest expense incurred during a period of construction, less related interest income earned on proceeds of tax-exempt borrowings, would be capitalized. Property under capital leases is amortized over the lease term. Any gain or loss on sale of equipment and other property is reported as other revenues on the statement of activities. The Organization maintains a threshold level of \$500 or more for capitalization of property and equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

I. Revenue Recognition

Public support consists primarily of contract payments received from the Tangipahoa Parish Rural Fire Protection District Number Two in the form of ad valorem taxes, state revenue sharing funds and fire insurance rebate funds. The Organization receives a percentage of the total funds available to the Tangipahoa Parish Rural Fire Protection District Number Two based on a formula contained in the original contract agreed to by all participating fire departments in Tangipahoa Parish. The ad valorem tax allocation is established in January of each year and disbursed by the Tangipahoa Parish Rural Fire Protection District Number Two on a quarterly basis. State revenue sharing and fire insurance rebate funds are disbursed to participating fire departments by the Tangipahoa Parish Rural Fire Protection District Number Two as the funds become available. As a result, ad valorem taxes and interest income is recognized as income in the period earned. State revenue sharing funds, fire insurance rebate funds and all other revenues are recognized as income when received.

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be unrestricted unless specifically restricted by the donor.

The Organization reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

J. Contributed Services and Materials

Typically contributed services are reported at fair value in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. However, since all of the Organization's program services are provided by volunteers and there is no objective basis available to measure the value of such services, no amounts have been included in the financial statements for donated services.

Donated materials are recorded at their fair value at the date of the gift. The Organization does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

K. Income Taxes

The Wilmer Volunteer Fire Department, Inc. is a not-for-profit social welfare organization. The Organization is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code, except on net income derived from unrelated business activities. Therefore, no provision is made for income taxes.

2. Cash and Cash Equivalents

Cash and cash equivalents book balances were as follows at December 31, 2008 and 2007

	<u>2008</u>		<u>2007</u>
Interest bearing demand deposits	\$ 171,839	\$	97,085
	<u>\$ 171,839</u>	\$	<u>97,085</u>

Bank balances at December 31, 2008 totaled \$175,947 protected by Federal Deposit Insurance Corporation (FDIC) insured coverage of \$250,000.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

3. Property and Equipment

The cost and accumulated depreciation of fixed assets at December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Machinery and Equipment	\$ 157,758	\$ 157,758
Total cost of assets placed in service	<u>157,758</u>	<u>157,758</u>
Less accumulated depreciation	(46,450)	(35,933)
Property and equipment, net	<u>\$ 111,308</u>	<u>\$ 121,825</u>

Depreciation expense for the fiscal year ending December 31, 2008 totaled \$10,517.

4. Contract with Tangipahoa Parish Rural Fire Protection District Number Two

The Wilmer Volunteer Fire Department entered into an agreement with the Tangipahoa Parish Rural Fire Protection District Number Two to provide fire protection and emergency response services in the unincorporated rural areas in the community of Wilmer. Funding is provided by an ad valorem tax and related state revenue sharing. Under the terms of the contract, the funds shall be expended solely for the purposes of operating and maintaining, and/or the purchasing of equipment or supplies and for the payment of salaries if approved by the Tangipahoa Parish Rural Fire Protection District Number Two.

5. Co-operative Endeavor Agreement

The Wilmer Volunteer Fire Department, Inc. obtained a 90 percent grant to purchase a 2005 Freightliner Model M-2 pumper-tanker truck in 2005. The Wilmer Volunteer Fire Department received a commitment of funds from the Tangipahoa Parish Rural Fire Protection District Number Two of Louisiana to pay for a ten percent match to purchase the truck and other associated expenses. The fire truck, according to the terms of the grant, was purchased in the name of the Wilmer Volunteer Fire Department, Inc. and will be utilized for and in the Wilmer Fire District. However, it is recorded as an asset on the books of the Tangipahoa Parish Rural Fire Protection District Number Two. Under the terms of the agreement, the Organization obtained usage of this truck in providing fire protection services within its Wilmer Fire District for at least a five year term for a one time payment of \$32,700.

Wilmer Volunteer Fire Department, Inc.
Notes to the Financial Statements
As of and for the Year Ended December 31, 2008

6. Debt Service Agreement

On June 16, 2003, the Tangipahoa Parish Rural Fire Protection District Number Two purchased a 2003 GMC TC8500 Fire Truck and new radio equipment for the Wilmer Volunteer Fire Department's use. The Tangipahoa Parish Rural Fire Protection District Number Two entered into a loan agreement with Hancock Bank for \$184,000, of which \$27,000 was interest free. Transfers out of the Wilmer Volunteer Fire Department for debt service payments of principal and interest are made from the Organization's regular appropriations on behalf of the liability on the books of the Tangipahoa Parish Rural Fire Protection District Number Two for the asset utilized by the Wilmer Volunteer Fire Department. Wilmer Fire Department also acquired a Class A pumper fire truck in 2007 under a similar loan agreement for \$170,000 wherein principal and interest payments on the loan are also made through the Tangipahoa Parish Rural Fire Protection District Number Two. The asset is also on the financial statements of the Tangipahoa Parish Rural Fire Protection District Number Two.

For the year ended December 31, 2008, transfers for principal and interest totaled \$48,000 and \$7,161 respectively.

Schedule of expected future principal payments at December 31, 2008

Principal Payments Due Date in:	Certificates of Indebtedness		Amount
	2003	2006	
2009	\$ 33,000	\$ 17,000	\$ 50,000
2010	-	18,000	18,000
2011	-	18,000	18,000
2012	-	19,000	19,000
2013	-	19,000	19,000
2014 to 2016	-	63,000	63,000
Total	\$ 33,000	\$ 154,000	\$ 187,000

7. Contingent Liabilities

At December 31, 2008, the Organization was not involved in any outstanding litigation or claims.